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February 28, 2008

Via Electronic Mail

Ms. Nancy M. Morris, Secretary
Securities and Exchange Commission
100 F Street, NE,
Washington, DC 20549-1090

Re: *Proposed rule: Enhanced Disclosure and New Prospectus Delivery Option for Registered Open-End Management Investment Companies (Release No. 33-8861; IC-28064; File No. S7-28-07)*

Dear Ms. Morris:

Fidelity Management & Research Company ("Fidelity"), the investment adviser to the Fidelity funds, appreciates the opportunity to comment on the Securities and Exchange Commission's proposal providing for a new prospectus delivery option for mutual funds and related amendments to Form N-1A. Fidelity is the investment manager for 390 registered investment companies in the Fidelity Group of Funds with aggregate assets in excess of \$1.3 trillion.

Fidelity commends the Commission and its staff for the considerable work and careful deliberation that underlies the far-sighted summary prospectus rule proposal. Rule 498, when adopted, will allow mutual fund groups to use a summary prospectus to disclose the core information that will enable investors to reach informed decisions in their purchase of mutual fund shares. Investors will reap the benefits of a clear, concise, timely and informative disclosure document while retaining the ability readily to obtain and review more detailed information in a fund's full statutory prospectus and other disclosure documents. While Fidelity strongly supports the proposed rule, we respectfully suggest that the Commission consider certain refinements, which we discuss below. Our suggestions fall into three categories:

First, if the Commission decides to retain a requirement for quarterly updating of investment performance and portfolio holdings, we urge the Commission to deem the posting of this data on a fund group's website to be fully sufficient for purposes of the rule. A fund group should be free, of course, to sticker or reprint summary prospectuses to add this quarterly updating, but this should not be mandatory. Inasmuch as the proposed rule deems access to a fund's website to be a fully sufficient way for investors to obtain a statutory prospectus, it seems

quite consistent with this approach to deem website posting of quarterly updates of fund performance and portfolio holdings to be sufficient as well.

Second, we encourage the Commission to reconsider the proposed rule's approach to what will be deemed to be effective delivery of the full prospectus for a fund to meet the "confirming prospectus" delivery requirements of Sections 5(b)(2) and 10(a) of the Securities Act of 1933. The Commission should drop the proposed rule's detailed technological preconditions. In their stead, the Commission should adopt a straightforward, result-oriented test for web-based "delivery" that simply requires that a fund group provide access to statutory prospectuses maintained in an identified website supported by procedures that are reasonably designed to provide reliable accessibility for investors. This general standard will allow fund groups to take advantage of advances in technology rather than remain tied to a frozen set of technological criteria that are prescribed in the proposed rule, such as hypertext linking.

Third, we have recommendations that relate to format and sequencing of information in the summary prospectus. We have also requested that the Commission (i) provide guidance regarding "greater prominence" and (ii) modify certain proposed Form N-1A amendments.

I. Quarterly Updates of Investment Performance and Portfolio Holdings

If the Commission decides to retain the quarterly updating requirement of investment performance and portfolio holdings, we encourage the Commission to allow fund groups to provide this information on the fund group's website as an alternative to requiring it to be in the summary prospectus. We propose that the Commission require the summary prospectus to contain a legend notifying investors of the availability of updated performance and portfolio holdings information on the fund group's website. Quarterly performance and holdings information is currently widely accessible to shareholders on fund groups' websites. Given that a fund group's website is deemed, under the Commission's proposal, to be a fully sufficient way for investors to obtain a statutory prospectus, we believe that it should also be sufficient to provide updated fund performance and portfolio holdings information on the fund group's website.

Requiring calendar quarter updated performance and holdings information to be included in the summary prospectus is likely to give rise to significant operational burdens for funds and intermediaries. Fund groups that stagger fiscal year ends of their funds to spread workloads over the course of the year would be faced with cyclical workload compression and significant bottlenecks. Updating the summary prospectus each calendar quarter would not simply be a matter of plugging into the summary prospectus updated quarterly performance and holdings information that is already available in fund fact sheets. It would require that the entire summary prospectus be prepared, reviewed and filed in accordance with the fund's rigorous disclosure review process. The ability to update by label or sticker rather than reprinting as provided in the proposed rule would be inconsistent with Fidelity's current disclosure production process and impracticable to implement. This process would be in addition to a fund's current fiscal quarter-end obligations. As a result, any fund that has fiscal quarters that differ from calendar year quarters, would face the daunting challenge of producing, in one form or another, eight quarterly

